

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

	)	
In re:	)	Case No. 17-42267-659
	)	CHAPTER 11
PAYLESS HOLDINGS LLC,	)	
	)	
Debtor.	)	
	)	
Tax I.D. 80-0855704	)	
	)	
In re:	)	Case No. 17-42301
	)	CHAPTER 11
PAYLESS INTERMEDIATE HOLDINGS	)	
LLC	)	
	)	
Debtor.	)	
	)	
Tax I.D. N/A	)	
	)	
In re:	)	Case No. 17-42305
	)	CHAPTER 11
WBG-PSS HOLDINGS LLC	)	
	)	
Debtor.	)	
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Tax I.D. N/A	)	
	)	
In re:	)	Case No. 17-42298
	)	CHAPTER 11
PAYLESS INC.	)	
	)	
Debtor.	)	
	)	
Tax I.D. 43-1813160	)	
	)	
In re:	)	Case No. 17-42286
	)	CHAPTER 11
PAYLESS FINANCE, INC.	)	
	)	
Debtor.	)	
	)	
Tax I.D. 43-1622101	)	
	)	

In re:	)	Case No. 17-42291
	)	CHAPTER 11
COLLECTIVE BRANDS SERVICES, INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1227266</u>	)	
	)	
In re:	)	
	)	Case No. 17-42282
PSS DELAWARE COMPANY 4, INC.	)	CHAPTER 11
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1221466</u>	)	
	)	
In re:	)	
	)	Case No. 17-42303
SHOE SOURCING, INC.	)	CHAPTER 11
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1234075</u>	)	
	)	
In re:	)	Case No. 17-42257
	)	CHAPTER 11
PAYLESS SHOESOURCE, INC.	)	
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Debtor.	)	
	)	
<u>Tax I.D. 48-0674097</u>	)	
	)	
In re:	)	Case No. 17-42287
	)	CHAPTER 11
EASTBOROUGH, INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1212803</u>	)	
	)	
In re:	)	Case No. 17-42297
	)	CHAPTER 11
PAYLESS PURCHASING SERVICES, INC.	)	
	)	
Debtor.	)	
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<u>Tax I.D. 48-1253043</u>	)	
	)	
In re:	)	
	)	Case No. 17-42283
PAYLESS SHOESOURCE	)	CHAPTER 11
MERCHANDISING, INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1140946</u>	)	
	)	
In re:	)	Case No.17-42292
	)	CHAPTER 11
PAYLESS GOLD VALUE CO, INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 46-1103581</u>	)	
	)	
In re:	)	Case No.17-42300
	)	CHAPTER 11
PAYLESS SHOESOURCE DISTRIBUTION,	)	
INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1140944</u>	)	
	)	
In re:	)	Case No.17-42288
	)	Chapter 11
	)	
PAYLESS SHOESOURCE WORLDWIDE,	)	
INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 43-1646884</u>	)	
	)	
In re:	)	
	)	Case No 17-42281
	)	CHAPTER 11
PAYLESS NYC, INC.	)	
	)	
Debtor.	)	
	)	
<u>Tax I.D. 48-1194126</u>	)	

In re:	)	
	)	
	)	Case No.17-42308
	)	CHAPTER 11
PAYLESS SHOESOURCE OF PUERTO	)	
RICO, INC.	)	
	)	
Debtor.	)	
	)	
Tax I.D. 66-0479107	)	
	)	
In re:	)	Case No 17-42290
	)	CHAPTER 11
	)	
PAYLESS COLLECTIVE GP, LLC	)	
	)	
Debtor.	)	
	)	
Tax I.D. N/A	)	
	)	
In re:	)	Case No.17-42279
	)	CHAPTER 11
	)	
COLLECTIVE LICENSING, LP	)	
	)	
Debtor.	)	
	)	
Tax I.D. 20-4231256	)	
	)	
In re:	)	Case No.17-42302
	)	CHAPTER 11
	)	
COLLECTIVE LICENSING	)	
INTERNATIONAL, LLC	)	
	)	
Debtor.	)	
	)	
Tax I.D. 05-0585451	)	
	)	
In re:	)	
	)	
CLINCH, LLC	)	Case No.17-42307
	)	CHAPTER 11
	)	
Debtor.	)	
	)	
Tax I.D. 27-2429836	)	

In re:	)	Case No.17-42280
	)	CHAPTER 11
COLLECTIVE BRANDS FRANCHISING	)	
SERVICES, LLC	)	
Debtor.	)	
Tax I.D. 26-3883636	)	
In re:	)	Case No.17-42284
	)	CHAPTER 11
PAYLESS INTERNATIONAL	)	
FRANCHISING, LLC	)	
Debtor.	)	
Tax I.D. 27-3686448	)	
In re:	)	Case No.17-42299
	)	CHAPTER 11
COLLECTIVE BRANDS LOGISTICS,	)	
LIMITED	)	
Debtor.	)	
Tax I.D. 98-0546466	)	
In re:	)	Case No.17-42294
	)	CHAPTER 11
DYNAMIC ASSETS LIMITED	)	
Debtor.	)	
Tax I.D. 98-0381978	)	
In re:	)	Case No.17-42296
	)	CHAPTER 11
PSS CANADA, INC.	)	

Debtor.	)	
	)	
Tax I.D. 74-2834969	)	
	)	
In re:	)	
	)	Case No 17-42293
	)	CHAPTER 11
PAYLESS SHOESOURCE CANADA, INC.	)	
	)	
Debtor.	)	
	)	
Tax I.D. 98-0534180	)	
	)	
In re:	)	Case No.17-42285
	)	CHAPTER 11
	)	
PAYLESS SHOESOURCE CANADA GP, INC.	)	
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	)	
Debtor.	)	
	)	
Tax I.D. 98-0534182	)	
	)	
In re:	)	Case No.17-42293
	)	CHAPTER 11
	)	
PAYLESS SHOESOURCE CANADA, L.P.	)	
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	)	
Debtor.	)	
	)	
Tax I.D. 98-0534179	)	

**DEBTORS' MOTION SEEKING ENTRY OF AN  
ORDER (I) DIRECTING JOINT ADMINISTRATION OF  
CHAPTER 11 CASES AND (II) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion (this "Motion"):<sup>1</sup>

<sup>1</sup> The facts and circumstances supporting this Motion are set forth in the *Declaration of Michael Schwindle in Support of Debtors' Chapter 11 Proceedings and First Day Pleadings* (the "First Day Declaration"), filed contemporaneously herewith and incorporated by reference herein.

**Relief Requested<sup>2</sup>**

1. By this Motion, and pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 1015(b) of the Local Rules of Bankruptcy Procedure for the Eastern District of Missouri (the “Local Bankruptcy Rules”), the Debtors seek entry of an order (the “Proposed Order”)<sup>3</sup> (a) directing procedural consolidation and joint administration of these chapter 11 cases and (b) granting related relief. Specifically, the Debtors request that the United States Bankruptcy Court for the Eastern District of Missouri (the “Court”) maintain one file and one docket for all of the jointly administered cases under the case of Payless Holdings LLC, and that the cases be administered under a consolidated caption, as follows:

*[Remainder of page intentionally left blank]*

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<sup>2</sup> Capitalized terms used but not otherwise defined in this Motion shall have the meanings ascribed to such terms in the Motion or in the First Day Declaration, as applicable.

<sup>3</sup> A copy of the Proposed Order will be provided to the Notice Parties (as defined below) and made available on the Debtors’ case information website at <https://cases.primeclerk.com/payless>.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION**

) Case No. 17-42267-659  
) CHAPTER 11  
)  
) (Joint Administration Requested)  
)  
) Hearing Date: April 5, 2017  
) Hearing Time: 1:30 P.M.  
) Hearing Location: Courtroom 7 North

2. The Debtors further request that the Court order that the foregoing caption satisfies the requirements set forth in section 342(c)(1) of the Bankruptcy Code.

3. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket of each of the Debtors' cases other than the case of Payless Holdings LLC:

An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the joint administration of the chapter 11 cases of: Payless Holdings LLC; Payless Intermediate Holdings LLC; WBG-PSS Holdings LLC; Payless Inc; Payless Finance, Inc.; Collective Brands Services, Inc.; PSS Delaware Company 4, Inc.; Shoe Sourcing, Inc.; Payless ShoeSource, Inc.; Eastborough, Inc.; Payless Purchasing Services, Inc.; Payless ShoeSource Merchandising, Inc.; Payless Gold Value

4 The Debtors (as defined herein) in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Payless Holdings LLC [5704]; Payless Intermediate Holdings LLC [N/A]; WBG-PSS Holdings LLC [N/A]; Payless Inc. [3160]; Payless Finance, Inc. [2101]; Collective Brands Services, Inc. [7266]; PSS Delaware Company 4, Inc. [1466]; Shoe Sourcing, Inc. [4075]; Payless ShoeSource, Inc. [4097]; Eastborough, Inc. [2803]; Payless Purchasing Services, Inc. [3043]; Payless ShoeSource Merchandising, Inc. [0946]; Payless Gold Value CO, Inc. [3581]; Payless ShoeSource Distribution, Inc. [0944]; Payless ShoeSource Worldwide, Inc. [6884]; Payless NYC, Inc. [4126]; Payless ShoeSource of Puerto Rico, Inc. [9017]; Payless Collective GP, LLC [N/A]; Collective Licensing, LP [1256]; Collective Licensing International LLC [5451]; Clinch, LLC [9836]; Collective Brands Franchising Services, LLC [3636]; Payless International Franchising, LLC [6448]; Collective Brands Logistics, Limited [6466]; Dynamic Assets Limited [1978]; PSS Canada, Inc. [4969]; Payless ShoeSource Canada Inc. [4180]; Payless ShoeSource Canada GP Inc. [4182]; and Payless ShoeSource Canada LP [4179]. The location of Debtor Payless Holdings LLC's corporate headquarters and the Debtors' service address is: c/o Payless ShoeSource, Inc., 3231 SE 6th Avenue, Topeka, KS 66607, United States.



CO, Inc.; Payless ShoeSource Distribution, Inc.; Payless ShoeSource Worldwide, Inc.; Payless NYC, Inc.; Payless ShoeSource of Puerto Rico, Inc.; Payless Collective GP, LLC; Collective Licensing, LP; Collective Licensing International, LLC; Clinch, LLC; Collective Brands Franchising Services, LLC; Payless International Franchising, LLC; Collective Brands Logistics, Limited; Dynamic Assets Limited; PSS Canada, Inc.; Payless ShoeSource Canada Inc.; Payless ShoeSource Canada GP Inc.; and Payless ShoeSource Canada LP. All further pleadings and other papers shall be filed in and all further docket entries shall be made in Case No. 17- 42267 (KAS).

4. The Debtors also seek authority to file their monthly operating reports required by the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees*, issued by the Office of the United States Trustee for the Eastern District of Missouri (the “U.S. Trustee”), by consolidating the information required for each Debtor in one report that tracks and breaks out all of the specific information (*e.g.*, receipts, disbursements, etc.) on a debtor-by-debtor basis in each monthly operating report.

#### **Jurisdiction and Venue**

5. The United States Bankruptcy Court for the Eastern District of Missouri (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and Local Bankruptcy Rule 81-9.01(B)(1). This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008, to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

6. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

#### **Background**

7. The Debtors, together with their non-Debtor affiliates (together, the “Company”) comprise the largest specialty family footwear retailer in the Western Hemisphere, offering a

wide range of shoes and accessory items at affordable prices. The Company has more than 4,000 stores in more than 30 countries. The Debtors are headquartered in Topeka, Kansas, but their operations are extensive and span across Asia, the Middle East, Latin America, Europe, and the United States.

8. On the date hereof (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors filed a motion requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no committees have been appointed or designated.

#### **Basis For Relief**

9. Bankruptcy Rule 1015(b) provides, in pertinent part, that “[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015. The Debtors are “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code. Accordingly, the Bankruptcy Code and Bankruptcy Rules authorize the Court to grant the relief requested herein.

10. Section 105(a) of the Bankruptcy Code provides the Court with the power to grant the relief requested herein by permitting the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the [Bankruptcy Code].” 11 U.S.C. § 105(a).

11. Joint administration is generally non-controversial, and courts in this jurisdiction routinely order joint administration in cases with multiple, related debtors. *See, e.g., In re*

*Peabody Energy Corp.*, No. 16-42529 (BSS) (Bankr. E.D. Mo. Apr. 14, 2016); *In re Abengoa Bioenergy US Holding, LLC.*, No. 16-41161 (MEW) (Bankr. E.D. Mo. Mar. 4, 2016); *In re Noranda Aluminum, Inc.*, No. 16-10083 (BSS) (Bankr. E.D. Mo. Feb. 9, 2016); *In re Arch Coal, Inc.*, No. 16-40120 (CER) (Bankr. E.D. Mo. Jan. 13, 2016); *In re Hazel Invs. LP*, No. 13-50282 (KSS) (Bankr. E.D. Mo. Nov. 25, 2013).<sup>5</sup>

12. Given the integrated nature of the Debtors' operations, joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders in these chapter 11 cases will affect each and every Debtor entity. The entry of the Order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration also will allow the U.S. Trustee and all parties-in-interest to monitor these chapter 11 cases with greater ease and efficiency.

13. Moreover, joint administration will not adversely affect the Debtors' respective constituencies because this Motion seeks only administrative, not substantive, consolidation of the Debtors' estates. Parties-in-interest will not be harmed by the relief requested; instead, parties-in-interest will benefit from the cost reductions associated with the joint administration of these chapter 11 cases. Accordingly, the Debtors submit that the joint administration of these chapter 11 cases is in the best interests of their estates, their creditors, and all other parties in interest.

### **Notice**

14. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the Eastern District of Missouri; (b) the holders of the 50 largest unsecured

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<sup>5</sup> Because of the voluminous nature of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

claims against the Debtors (on a consolidated basis); (c) counsel to the Prepetition ABL Agent; (d) counsel to certain Prepetition ABL Lenders; (e) counsel to the Prepetition First Lien Term Loan Agent and the DIP Term Loan Agent; (f) counsel to the Prepetition First Lien Term Loan Steering Committee; (g) counsel to the Prepetition Second Lien Term Loan Agent; (h) the DIP ABL Agent; (i) co-counsel to the DIP ABL Agent, Choate, Hall & Stewart (Attn: Kevin J. Simard, Esq. and Douglas R. Gooding, Esq.) and Thompson Coburn LLP (Attn: Mark V. Bossi, Esq.); (j) the Tranche A-1 Agent; (k) counsel to the Tranche A-1 Agent, Schulte, Roth & Zabel, LLP (Attn: Adam C. Harris, Esq.); (l) the United States Attorney's Office for the Eastern District of Missouri; (m) the Internal Revenue Service; (n) the United States Securities and Exchange Commission; (o) the state attorneys general for all states in which the Debtors conduct business; and (p) any party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties"). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**No Prior Request**

15. No prior request for the relief sought in this Motion has been made to this or any other court.

*[Remainder of page intentionally left blank]*

WHEREFORE, the Debtors respectfully request entry of the Proposed Order (a) granting the relief requested herein and (b) granting such other relief as is just and proper.

Dated: April 4, 2017  
St. Louis, Missouri

/s/ Steven N. Cousins

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